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RUEHNT/AMEMBASSY BISHKEK IMMEDIATE 0158
RUEHAH/AMEMBASSY ASHGABAT IMMEDIATE 0153
RUEHTA/AMEMBASSY ALMATY IMMEDIATE 0073
RUEHDBU/AMEMBASSY DUSHANBE IMMEDIATE
RUEHCI/AMCONSUL KOLKATA IMMEDIATE 0883
RHEHNSC/NSC WASHDC IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 02 DHAKA 001341

SIPDIS

SENSITIVE SIPDIS

E.O. 12958: DECL: 08/07/2017 TAGS: PGOV PHUM PREL BG

SUBJECT: GENERAL DISSATISFACTION WITH CARETAKER GOVERNMENT

FUELS DHAKA RUMOR MILL

REF: A. DHAKA 1279 • DHAKA 1280

Classified By: Charge d'Affaires a.i. Geeta Pasi, reason 1.4(d)

- 11. (C) SUMMARY. Rumors of changes in the caretaker government have been a popular parlor game in Dhaka since January 2007. Growing frustration over rising prices, energy shortages, and a lackluster response to flooding have fueled speculation and criticism about the caretaker government. Scenarios being discussed range from an expansion of the Council of Advisors to an outright military takeover. Variations of the theme include the formation of a "national government," a declaration of martial law, or the Army Chief assuming the role of President. While the caretaker government,s missteps may eventually precipitate another political crisis, at present we do not believe that any drastic action by the military is likely. In recent days, we have met with senior officials to reinforce the importance of adhering to the election timetable. Our public statements on political issues seem to have resonated with the media and the political class. END SUMMARY.
- With the nation's attention focused on the effects of flooding and concern about rising prices of essentials, there is increased grumbling regarding the caretaker government's performance. There has been a growing consensus, even among its initial proponents, that the current Council of Advisors is incapable of providing adequate oversight of the ministries under their control (Reftel A). Moreover, the Chief Advisor and his colleagues remain politically tone deaf, contributing to civil society and business sector frustration (Reftel B). Meanwhile, the fate of imprisoned political leaders, including former prime ministers Sheikh Hasina (in prison) and Khaleda Zia (who remains under defacto house arrest) remains unclear. This combustible mix has contributed to an increase in rumors that some dramatic reshuffling of the political structure is being planned on the cantonment.

MILITARY STAYING ON THE SIDELINES

13. (C) With these rumors circulating, CDA met recently with former Foreign Secretary, and regime confidant, Farooq Sobhan. Addressing one possible catalyst for military action, Sobhan dismissed the possibility of a Sheikh Hasina

release, noting that the government has many cases pending against her. Even if one is dismissed, there are many others that would be presented to the court. He confirmed something that we have heard before, namely that the military would only act under two conditions: a) there is a division in the ranks of the military (a power struggle) or b) the situation in the country is seen to be heading south. Currently, he says neither is the case.

- 14. (C) Sobhan did acknowledge, however, that the caretaker government is facing a number of challenges rising prices of foodstuffs, energy shortages, and flooding. We discussed the impact of perceptions of Chief of Army Staff General Moeen U. Ahmed's highly visible role versus that of the much more private Chief Advisor, Fakhruddin Ahmed. Moeen appears frequently in public talking about flood relief, corruption, the revamping of sports leagues, etc. In his first six months in office, the Chief Advisor has tended to shy away from the press. Sobhan said Fakhruddin has promised to be more active in terms of media opportunities to correct the perception that Moeen is in charge. Sobhan said Moeen is surrounded by self-appointed advisors like Dhaka University Professor Ataur Rahman, who encourage him to engage in these wide-ranging activities and reinforce the notion that Moeen is the one person who can "save" the country.
- 15. (C) The CDA also met Brigadier General ATM Md. Amin of the Directorate General Forces Intelligence (DGFI) to explore similar issues. His argument against martial law was far more straightforward why would we want to inherit all the problems of the country? He believes the military will be seen as heroes for the job they are doing now, and that they want to see elections at the end of 2008 just as much as the

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caretaker government.

16. (C) During a brief conversation August 12, President Iajuddin Ahmed told the CDA he intends to remain in office beyond his planned retirement date in September, arguing that he can only be replaced by an elected Parliament. If true, this would rule out the rumored move by General Moeen to assume the Presidency.

USG PUBLIC MESSAGE RESONATES

17. (C) In addition to these private discussions, at the opening of a Department of Defense-funded seminar on security sector reform, the CDA also delivered a pointed message on the need for the caretaker government to stick to the timetable for elections, respect human rights, lift the ban on politics and for the military to remain neutral. Her remarks, echoing those she made a few weeks earlier at an American Chamber of Commerce luncheon, received widespread press coverage and served as a catalyst for more general commentary on current political developments. We have heard from sources close to the Chief Advisor that the message also reached those in senior positions.

COMMENT

18. (C) Generating rumors and speculating about military intervention in politics are pastimes of Dhaka's chatterati, and are likely to continue throughout the caretaker government,s tenure. We do not see signs that such intervention is likely at this time, and Moeen continues to state publicly that martial law would only occur if the "back of the army was put against the wall." He also denies seeking any political role for himself. Everyone agrees that the caretaker government has structural flaws and moderate voices will look for a way to strengthen the capacity of the Council of Advisors in order to respond to critics, and "reformist" elements of the political parties will continue to look for opportunities to enter government as a means of

shoring up their positions vis-a-vis the two ladies. Meanwhile, a clear and consistent message from the USG can serve a useful role in ensuring that the government adheres to its reform timetable. PASI